



DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

State Dept. review completed. On file Commerce Dept. release instructions apply.

On
file

Secret

25 April 1970

No. 0099/70 25 April 1970

## Central Intelligence Bulletin

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Bank proposal

Burma - Communist China: Trade delegation

Venezuela:

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North Vietnam: The Vietnamese Communists have hinted that their delegation chiefs might leave Paris, apparently to drive home their contention that the talks are going nowhere.

Responding to queries about Xuan Thuy's plans, a North Vietnamese briefer told a news conference on 23 April, "it may be that in a few days he will leave Paris." The Viet Cong spokesman, when asked about Madame Binh on the same day, said that "so far" she still is in Paris, but that she has "many occupations back home." Thuy has boycotted the talks since Ambassador Lodge's departure, and Madame Binh has been showing up only intermittently for several weeks.

Thuy, the delegation head, is Hanoi's last high-ranking official in Paris. Le Duc Tho, the position level "adviser" to the delegation, left for Hanoi earlier this month, and Ha Van Lau, the other principal delegate for the North Vietnamese, has been absent since mid-February. Up to now, Tho, Thuy, and Lau have never been away from Paris at the same time.

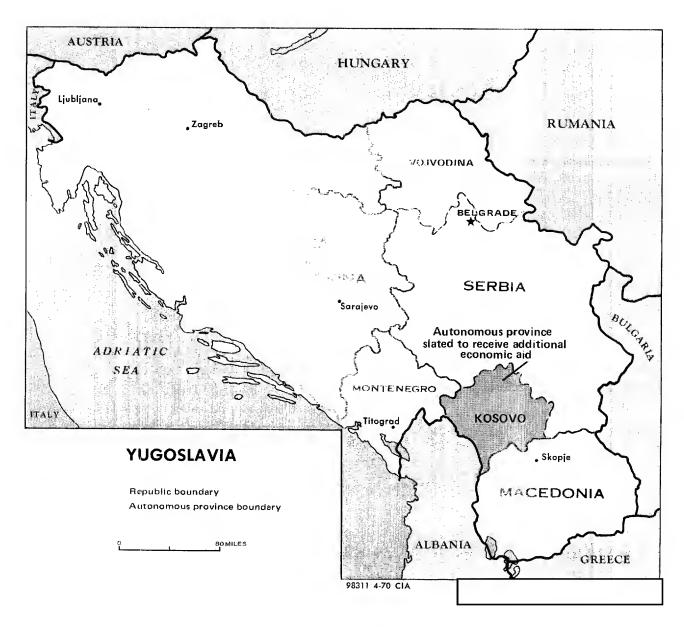
The Viet Cong spokesman implied that, regardless of the absence of the principal negotiators, the talks probably would go on. It is clear, however, that the talks under these circumstances would become even more purely a propaganda exercise for the Communists than they have been to date.

South Vietnam: Public charges of corruption against two important generals could hurt the government in this summer's Upper House elections.

A proposal is before the Upper House to establish a committee to investigate charges made there that III Corps Commander Tri and presidential intelligence adviser Quang have been involved in continuous and large-scale corruption. The senator who brought the charges led the battle to pass the President's land reform bill, and is neither an opposition politician nor up for re-election this year. His charges, therefore, may carry more weight.

Both of the generals have formidable reputations for corruption, and they are close associates of President Thieu. The wide publicity these charges may receive could complicate Thieu's current efforts to ease political tension.

Corruption is widespread among South Vietnamese in positions of power, particularly within the military, and Thieu's political opposition may be able to bring charges against other highly placed individuals. So far, the inspectorate and government committees created to control corruption have accomplished little beyond token demonstrations of good intentions because of the power of those accused. If the Upper House committee is formed and opposition members gain control of the investigation, the government's failure to discipline its own officials will get much greater publicity than it has in the past.



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Yugoslavia: The country's most backward region, Kosovo, is slated to receive additional economic aid during 1971-75.

Kosovo is being singled out for special attention as part of the central government's long-standing but unfulfilled promise to narrow the gap in prosperity among regions in Yugoslavia. Both foreign and domestic credits will be sought for construction of new enterprises. Federal subsidies will be increased, and the reduction of corporate and personal taxes in the area is being considered.

Attempts will be made to develop and expand industries to exploit the region's resources such as lead and bauxite. Belgrade is calling on other parts of the country to provide technical assistance and training programs.

Kosovo, a politically autonomous province populated largely by ethnic Albanians, suffers from overpopulation and chronic unemployment. Past efforts to improve its relative economic position have failed. Per capita national income in Kosovo has dropped from one half the Yugoslav average in 1947 to one-third in 1968, more from a shortage of profitable investment opportunities in the area than from neglect by the federal government.

Deputy Premier Gligorov, reflecting on	past
failures, warned recently that the new gove:	rnment
program can only be expected to bring about	signi-
ficant progress over a long period of time.	

## International boundary LEBANON Armístice line, 1949 Israelí cease-fíre líne, 10 June 1967 Qunaytirah YRIA GOLAN HEIGHTS MEDITERRANEAN SEA Irbid Netanya Nablus WEST B Tel Aviv-Yafo Az Zarqa As Salt. **★**Amman Ramla Ram Allah Ashdod (m) Hebron Israelis to establish Jewish quarter in Hebron GAZA STRIP. Beersheba\* SINAL .Dimona

Israeli Settlements in the Occupied West Bank

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Israel: The government's plan to establish a Jewish quarter in the West Bank town of Hebron will provoke a strong response from the already hostile Arab population there.

Despite some misgivings in the cabinet, Deputy Prime Minister Allon announced last month that the government intended to set up an area in Hebron for about 250 more families. The Israeli military governor of Hebron reportedly is already in the process of sequestering 450 acres in the area.

The 250 families would be in addition to the group of some 150 Jews who settled in Hebron in 1968 in an effort to re-establish a Jewish presence there. This town of some 40,000 residents is the site of the Tomb of the Patriarchs and is holy to both Jews and Moslems.

Hebron has also been the scene of frequent clashes between the Israeli military and the local Arab population. Arab leaders in the town have held several meetings to protest the Israeli plan and have made it clear they are opposed to further Jewish settlement.

The Israelis maintain that Jewish settlement in such areas is justified on historical and religious grounds. They insist that Israel does not intend to annex the area and that it is not trying to prejudice an eventual peace settlement. The Arabs, however, see all such Israeli moves as annexationist in design. They point to the 22 settlements Israel has established in the occupied territories since the war--eleven in the Golan Heights, eight on the West Bank, and three in Sinai--as clear evidence of Israel's expansionist policies.

(Map)

Haiti: The coast guard mutineers have failed to attract any army support, and without it they do not pose a serious threat.

Coast guard commandant, Colonel Octave Cayard, apparently with the majority of his 325-man force, mutinied yesterday morning and used the unit's three coast guard cutters to shell the national palace from the nearby bay. Sporadic firing continued throughout the day, but the shells apparently had limited explosive power and caused little damage. Strafing attacks on the ships by the government's lone P-51 were similarly ineffective. At nightfall, the ships retreated to a position ten miles offshore.

None of the three critical ground units in Port-au-Prince, whose combined 2,000 men comprise the only effective fighting units in the country, has joined the rebellion. Government forces controlled coast guard headquarters by mid-afternoon. The capital remained generally calm, although the government imposed a curfew. If the ground units continue to support President Duvalier, as seems likely, Cayard will have to choose between attempting a landing or fleeing into exile. He probably will elect the latter.

#### NOTES

USSR - Warsaw Pact: A Soviet diplomat said recently that a high-level Warsaw Pact meeting around 15 May to commemorate the Pact's 15 anniversary "was not to be excluded." The diplomat's remarks were in reply to a question concerning earlier reports that Pact representatives would meet in April or early May to pre-empt the NATO foreign ministers' meeting on 26-27 May. A Romanian diplomat claims that a preparatory meeting at the experts' level has already been held. The NATO meeting is expected to issue a statement on European security, and the Pact may well make an earlier pronouncement on the subject.

\* \* \* \*

Allied sensitivity to possible Spanish participation in NATO-related activities has complicated efforts to include non-members in NATO work on environmental problems. The US has been pressing the allies to permit the NATO Committee on the Challenges of Modern Society to adopt a liberal policy toward admitting outside observers. However, a number of NATO members fear this would open the way for Spain, whose government is still widely disliked in Western Europe, to slide into a NATO activity. Insistent lobbying by Spain in Brussels has aggravated the situation. It appears that an interim solution will be found by dealing with outside participation on a case-by-case basis, which would permit individual NATO members to object to any proposed Spanish participation if they desired.

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	Western European Union:	25X6
25X6	France has agreed to return to participation in the WEU and will probably attend the next ministerial meeting, now scheduled for early June. The French return is conditioned on an understanding that enlargement of the European Communities and European political unification will not be topics for WEU consideration and that subjects to be dealt with will be agreed	
25X6	upon in advance.	25X6
-	* * *	-
25X1	Greece:	25X1
25X1	The Soviet-Greek agreement provides for a 50-percent reduction in Greek tariffs, within quotas, on certain Soviet exports. Several GATT members, including the US, have demanded either that the agreement be abrogated on the basis that it violates basic GATT principles or that the preferences granted to the USSR be extended to other GATT countries. Some compromise, however, might be worked out between	
	the two positions.	25X1

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pear close to a day-old insurre all male hostage armed mutineers killed on Tuesd named to head there have been dent unrest, to populace and pomay be able to but Prime Minis political damage	The government and the mutineers ap- compromise settlement in the four- ction. The rebels yesterday released es. The government permitted some un- to attend the funeral of a soldier ay. A new commanding officer has been he rebellious regiment. Although a few sniper incidents and some stu- nsions have greatly eased among the lice in Port of Spain. The government extricate itself from the situation, ter Williams has suffered irreparable e, and domestic opposition will prob-
ably increase.	

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25X1

(continued)

Venezuela: Proposed legislation to restrict foreign ownership of commercial banks has been softened. Restrictions now would apply only to new banks. Although only two US-owned banks operate in Venezuela, Commerce Secretary Stans, on a recent stopover in Caracas, voiced his concern to President Caldera about the effects of limitations on US-owned banks on general foreign investment in the nation. Moves to restrict foreign banking in Venezuela follow recent similar actions in Costa Rica, Guatemala, and Peru, usually resulting from pressure by local businessmen.

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Burma - Communist China: Rangoon has sent a delegation to the Canton trade fair in hopes of improving relations through a revival of trade. Peking has not given a clear response thus far, however, to previous Burmese overtures. Efforts to revive trade, which was halted in 1967 following Burma's anti-Chinese riots, also reflects Burma's extensive search for markets for its falling rice exports. Prior to 1967, Burmese rice sales to China

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averaged about \$12 million annually.

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